

ROGER BABSON PREDICTS:

# Economic, Social Currents Will Rule 1965

Promising the people of the United States "peace and prosperity," President Johnson was carried to victory last November on an overwhelming landslide. By nature he is more likely to compromise than to contest. Also, he is deeply sincere in his desire to accelerate the economic growth of this country and to wipe out poverty.

But we must not forget that both Woodrow Wilson and Franklin Roosevelt promised to keep America out of "foreign" wars. And already the British financial crisis has forced the Federal Reserve to raise its discount rate to 4%—despite President Johnson's dislike of higher money rates. Therefore, as we look forward to 1965 from our more than 60 years of experience in forecasting and analysis, we emphasize once again that the great rolling tides of economic fundamentals and social currents are likely to have a greater impact on what is to unfold than will the campaign promises of successful candidates.

1. There will be no war with Russia during 1965. The Russian people want some of the "peace and prosperity" that President Johnson promised our citizens.
2. Watch Russia's satellites in 1965. They will try to make a deal with the new Moscow Administration which will involve more trade and prosperity and less politics. Following Khrushchev's fall, the satellites will aim for more consumer goods for their people rather than for more personal freedom.
3. Russia will not bring the Berlin issue to a crisis in 1965. The tendency will be to soft-pedal talk about Berlin until Red China's course of action becomes clearer.
4. Red China made the biggest news in 1964 by exploding a nuclear bomb. In 1965, Communist China's greatest effort will be to gain admission to the United Nations. World leaders cannot ignore this awakening giant with its 700,000,000 people. We believe there is a 50-50 chance that the Red Dragon will get into the UN in 1965.
5. However, Communist China will not risk all-out war in the year ahead. She has neither a sufficient stockpile of nuclear bombs nor adequate means of delivering them in quantity. Red China's biggest use of her new-found nuclear power will be to "blackmail" the West.
6. Regardless of what happens in the next few months, we look for President Johnson to compromise on the situation in South Vietnam sometime during 1965 and move toward "neutralization."
7. Conditions in Cuba are not likely to change radically in 1965. The Russians will do nothing to handicap Castro; neither will they do much to help him. Thus Castro will be unable to deliver the economic help he has been promising other Latin American nations. And with world sugar prices down, the Cuban chieftain will try to make a deal with the United States before the end of 1965.
8. Cutbacks in defense spending will not result in radical unemployment in the U. S. in 1965. Companies and regions seriously affected by the loss of "conventional" defense work will shift to meet the rapid changes due in our system of defense during the next few years.
9. Our Defense Department, under Secretary McNamara's leadership, will increase efforts in 1965 to produce new super-weapons. It is realized there would be no Maginot or other "line" to protect any country in future wars. Control of space will be the new aim in defense.
10. Intensified emphasis on new space-age defenses will provide more jobs in 1965 than the closing down of obsolete installations will eliminate.
11. The stock market will continue to be a paradox in 1965. The Dow-Jones Industrial Average may push to 1000 before any real turnaround takes place. Many stocks, however—including numbers of issues oriented to conventional warfare and defense—will still do little or nothing. Look for greater selectivity in stocks next year.
12. 1965 may be an advantageous time for investors to put very small sums of money into "space" stocks. These are outright speculations, but so were the ventures of Columbus, Magellan, and other explorers of the past. If there were no risk-takers there would be no progress. Such "investments," however, should be well diversified and limited to amounts you would be prepared to lose.
13. Cash dividend payments should increase in 1965... although at a much slower rate than has been the case this year.
14. No assessment of finances in the United States can be made without carefully weighing Britain's plight. We are convinced that unless the Labor Government adopts strict austerity measures, the pound will fall before the end of 1965.
15. Until the fate of the pound is resolved, short-term interest rates must be kept (Continued on A-3)

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### UNEQUALED CIRCULATION AND EDITORIAL COVERAGE

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**BOXES OF AID . . .** James Clouston and James Ackroyd of the Torrance Junior Chamber are pictured as they finished packing boxes of food and toys which were distributed to some 20 needy families in Torrance Christmas Eve. The food was donated by area merchants and toys were given by several toy makers. Ackroyd is president of the Jaycees. (Press-Herald Photo)

# Beach Front High Rise Moved to Redondo Side

## League to Study City Charter

To improve the readability of the city charter of Torrance, members of the League of Women Voters, under the chairmanship of Mrs. Howard Foote, will begin a detailed study of the present charter late in January.

Since Torrance's charter was ratified by the state legislature in 1947, it has been amended many times and portions have become obsolete.

"Our primary goals in this study will be to understand the content of the charter and the basis for its provisions and amendments," said Mrs. Foote.

City Attorney Stanley Remy Meyer will serve as legal advisor for the project. Included in the survey will be a tour of City Hall and city offices Feb. 9. At that time city officials will explain the functions of their particular departments.

Assisting Mrs. Foote in preparing the charter analysis are Mmes. James Anderson, Parke Bryan, Henry Fink Jr., David Morrison, and James E. Pierson.

## Dairy Cows Get 30-Day Reprieve

Dairy cows at Quinn's Dairy, 4016 Del Amo Blvd., will be able to graze in Torrance for at least 60 days after the Jan. 1 deadline for their removal.

The council voted to continue a public hearing on a variance which the dairy is seeking until March 2, 1965. The variance, if granted, will permit dairy cows to remain in the city.

The extension was approved to permit the city to develop tentative plans for the improvement of Del Amo Boulevard. The city needs slope easements and access agreements from the dairy in order to avoid court action which could delay improvement of the highway.

Under terms of an ordinance adopted about six years ago, all dairy herds must be removed from Torrance by Friday unless the council grants relief. Hudson's Dairy, located in North Torrance, was denied a variance on Dec. 3.

## County Land Swap a Key

Plans to construct high-rise apartments on the Redondo Beach portion of the old Riviera Club site were reaffirmed by Robert D. Keilor, president of Sovereign Development Co., before the Torrance City Council last night.

"We are somewhat committed (in Redondo Beach) and are proceeding as such," Keilor told councilmen. He added that the firm would still like to construct a high-rise building on the Torrance portion of the beach-front property.

Keilor made his statement after Councilman J. A. Beasley revealed a trade between Sovereign Development Co. and the Board of Supervisors involving the beach portion of the property.

Sovereign Development Co. transferred the beach area to the county in exchange for property located adjacent to the northern boundary of the Riviera Club site. Keilor said the additional property on the embankment above the beach would permit construction of the high-rise.

Keilor told the Press-Herald his firm would proceed with plans to build in Redondo Beach and submit applications for the necessary zone change and required variances to that city.

Suggestions that Redondo Beach would vacate a portion of the Esplanade adjacent to the Sovereign Development Co. site began circulating some months ago, following action by the Torrance City Council which denied the high-rise zoning sought by the firm.

New hearings before the Torrance Planning Commission were ordered in November, but the hearings were postponed because of the holiday season. Planning Director Charles Shurtle said he did not know when the hearings will begin.

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## Edison Names Goss Manager

Lowell V. Goss has been named local manager of the Southern California Edison Co.

Goss, formerly district customer accounts manager for the electric company in Compton, officially took over his new duties earlier this month.

## Councilmen Put Towing Contracts Up for Grabs

Towing services and garages in Torrance will have an opportunity to bid on contracts for police department towing services in Torrance following action by the city council last night.

The council unanimously voted to send the towing service to bid, despite a recommendation by City Manager Edward J. Ferraro that the present arrangement be continued.

Under the current arrangement, police officers call one of two garages, depending on the area of the city, when the motorist has no preference or cannot express a preference for a garage.

Ferraro had submitted an alternate recommendation—the one which councilmen accepted—to send the contracts to bid on a unit price basis. He further recommended maintenance of the north and south districts under the contract arrangement.

A MOTION to table the matter for an additional two weeks failed to win a second during the discussion. The decision ended discussion of the matter which has continued for several months.

The bid system was approved on motion of H. T. "Ted" Olson, who said, "We are talking about a subject none of us knows anything about. If we go to bid, then nobody can complain."

Under the system, bidding garages or towing services must meet specific standards

for towing vehicles and impound areas. An additional stipulation requires successful bidders to be located in the area for which they bid. Contracts will be awarded to the low bidder for a three-year period.

IN OTHER matters, the council:

- Approved a change of zone from R-1 to C-R for property on the south east corner of Anza Avenue and Torrance Boulevard, West. (Answer on Page A-2)



**LOADING UP . . .** Checking the huge load of clothing and foodstuffs gathered by YMCA families is David Warden while Y secretary Joe Wilcox steadies the ladder. Youngsters holding the sign (from left) include Mary Beth Bush, Dan Duncan, Tami Snyder, and Charles Reinhardt. Nearly 40 YMCA members and adult sponsors are due back from the Navajo Reservation in Arizona tonight. (Press-Herald Photo)

## In Newhall Area

# Hi-Shear Plans Expanded Plant

Purchase of 16 acres in the Newhall-Saugus area by Hi-Shear Corp. of Torrance has been announced by George S. Wing, president of the local firm.

Wing said the property would be used to expand the ordnance production capabilities of the company in order to meet increasing needs for ordnance by aerospace firms.

The new facility will be located in the Newhall-Saugus industrial triangle on Soledad Canyon Road, some 50 miles north of this city. Temporary facilities for Hi-Shear's Ordnance Manufacturing and Ordnance Research and Development Departments will be occupied during the first quarter of 1965, according to Wing. Trailers will be used. Power cartridges, squibs, detonators, rocket motor starters, and other aerospace ordnance devices will be produced by the new facility. These items are currently being manufactured in the Torrance plant.

Hi-Shear expects to begin construction of permanent facilities at the new location

## 70-Year-Old Slugged - - -

A handit carrying a section of pipe slugged 70-year-old Edwin G. Cleveland several times in a futile attempt to rob the victim's liquor store at 324 S. Catalina Ave., Redondo Beach, Tuesday afternoon. After being hit, Cleveland attempted to struggle with the handit and was struck again several times. He managed to run from the store and the handit hurled the pipe at him before he fled the scene empty handed. Cleveland is in Little Company of Mary Hospital.

## Torrance Court Sought - - -

A resolution asking for the removal of South Bay Municipal Court facilities in Redondo Beach to the Torrance civic center was adopted by the City Council last night. Councilmen were unanimous in their support of the resolution, which will be forwarded to the Board of Supervisors. For some comment on the South Bay Municipal Courts situation, see the Press-Herald editorial "The Time for Decision" on page A-4.

## Ex-Publisher Dies - - -

Retired publisher Lyle M. Webb, who had published the 70-year-old Redondo Reflex for nearly two decades before his retirement last March, was found dead in his Redondo Beach apartment Monday afternoon by a long-time friend who had dropped by to visit him. Webb had been treated the day before by his physician for a heart ailment. He had been a widower for nearly a year. (Continued on A-2)